

Settlement Date and Time:  
August 25, 2000  
at 12:00 p.m.

Gerald C. Bender (GB-5849)  
Lawrence A. First (LF-9650)  
FRIED, FRANK, HARRIS, SHRIVER  
& JACOBSON  
(A Partnership Including  
Professional Corporations)  
Attorneys for Debtors  
and Debtors-in-Possession  
One New York Plaza  
New York, New York 10004  
(212) 859-8000

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	: Chapter 11
	: Case Nos. 00 B 41065 (SMB)
RANDALL'S ISLAND FAMILY GOLF	: through 00 B 41196 (SMB)
CENTERS, INC., <u>et al.</u> ,	:
	: (Jointly Administered)
Debtors.	:
	:
- - - - -	x

NOTICE OF SETTLEMENT OF STIPULATION AND ORDER  
GRANTING LIMITED RELIEF FROM THE AUTOMATIC  
STAY TO ALLOW THOMAS C. MULHALL TO PURSUE  
LITIGATION

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PLEASE TAKE NOTICE that Thomas C. Mulhall, having filed a motion (the "Motion"), dated July 28, 2000, for an order modifying the automatic stay, and the above-captioned debtors and debtors-in-possession having agreed to enter into a stipulation resolving the Motion, the undersigned will present for settlement and signature the accompanying stipulation and order (the "Order"), pursuant to Rule 9074-1(a) of the Local Rules for the United States Bankruptcy Court for the Southern District of New York, to the Honorable Stuart M. Bernstein, United States

Bankruptcy Judge, in his Courtroom at the United States Bankruptcy Court, Alexander Hamilton Customs House, One Bowling Green, New York, New York 10004, on August 25, 2000 at 12:00 p.m. (the "Settlement Date").

PLEASE TAKE FURTHER NOTICE that comments and/or objections to the Order, together with a counterproposed order, if any, must be (a) in writing, (b) received in the Bankruptcy Judge's Chambers and (c) served upon (i) counsel for the Debtors, Fried, Frank, Harris, Shriver & Jacobson, One New York Plaza, New York, New York 10004 (Attn: Gerald C. Bender, Esq.) (ii) counsel for the Official Committee of Unsecured Creditors, Berlack, Israels, Liberman, LLP, 120 West 45<sup>th</sup> Street, New York, New York 10036 (Attn: Edward S. Weisfelner, Esq.), (iii) counsel for Thomas C. Mulhall, Bornstein & Emanuel, P.C., 595 Stewart Avenue, Suite 410, Garden City, New York 11530 (Attn: Robert G. Sullivan, Esq.) (iv) counsel to the Chase Manhattan Bank, Morgan, Lewis & Bockius, 101 Park Avenue, 40th Floor, New York, New York 10178 (Attn: Richard S. Toder, Esq.), and (v) the Office of the United States Trustee, 33 Whitehall Street, New York, New York 10004 (Attn: Brian Masumoto, Esq.), together with proof of service thereof, such that they are received no later than one day prior to the Settlement Date. Unless comments and/or

objections and a counterproposed order are received one day prior to the Settlement Date, the Order may be signed.

Dated: New York, New York  
August 18, 2000

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& JACOBSON  
(A Partnership including  
Professional Corporations)  
Attorneys for Debtors and  
Debtors-in-Possession  
One New York Plaza  
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(212) 859-8000

By: /s/ Gerald C. Bender  
Gerald C. Bender (GB-5849)

339208

To:

Brian Masumoto  
Office of the United States  
Trustee  
33 Whitehall Street  
21<sup>st</sup> Floor  
New York, NY 10004

Richard S. Toder, Esq.  
Morgan, Lewis & Bockius  
101 Park Avenue  
40<sup>th</sup> Floor  
New York, NY 10178

Edward S. Weisfelner, Esq.  
Berlack, Israels & Liberman  
LLP  
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New York, NY 10036

Law Offices of Patrick  
MacDonnel  
1325 Franklin Avenue  
Garden City, NY 11530

Robert G. Sullivan, Esq  
Bornstein & Emanuel, P.C.  
595 Stewart Avenue, Suite 410  
Garden City, NY 11530

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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RANDALL'S ISLAND FAMILY GOLF	:	through 00 B 41196 (SMB)
CENTERS, INC., <u>et al.</u> ,	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
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STIPULATION AND ORDER GRANTING LIMITED  
RELIEF FROM THE AUTOMATIC STAY TO ALLOW  
THOMAS C. MULHALL TO PURSUE LITIGATION

WHEREAS, on May 4, 2000 (the "Filing Date"), each of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. By order of this Court dated as of the Filing Date, the Debtors' chapter 11 cases are being jointly administered. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their properties as debtors-in-possession;

WHEREAS, prior to the Filing Date, Thomas C. Mulhall (the "Claimant") commenced an action against one of the Debtors, Family Golf Centers, Inc. d/b/a Golden Bear Golf Center

("Family Golf"), as well as another defendant, in the Supreme Court of the State of New York, County of Queens, styled Thomas C. Mulhall v. The City of New York, Family Golf Centers, Inc. d/b/a Golden Bear Golf Center and Heitz Contracting Corp., and bearing case number 1186099 (the "State Court Action"), arising out of an alleged personal injury to the Claimant (the "Claim");

WHEREAS, the liability of Family Golf, if any, to the Claimant with respect to the Claim may be covered by the Debtors' applicable general liability insurance policy (the "Policy"), and the Policy may be subject to a deductible payable by the Debtors;

WHEREAS, as a result of the commencement of the Debtors' cases, and as of the Filing Date, the continuation of the State Court Action was stayed by operation of section 362(a) of the Bankruptcy Code (the "Automatic Stay");

WHEREAS, the Claimant seeks, and Family Golf is willing to consent to, a limited modification of the Automatic Stay on the terms and subject to the conditions set forth herein, so as to allow the Claimant to continue to prosecute the State Court Action to judgement (or other resolution) and to allow the Claimant to collect any judgement obtained therein (or the settlement proceeds thereof, if any) solely from the Policy;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and between Family Golf and Claimant, through their undersigned counsel, as follows:

1. Upon the approval of the Stipulation by the Bankruptcy Court, the Automatic Stay shall be modified to allow

the Claimant to (a) prosecute to judgement the State Court Action with respect to the Claim, and any subsequent appeals or writs of review taken by any of the parties thereto, solely for the purpose of determining the liability of, and damages against, Family Golf and Alley Pond, if any, with respect to the Claim (or to settle the Claim); and (b) collect any such judgement (or settlement proceeds) solely from the proceeds of the Policy to the full extent of the judgement (or settlement) and only as may be available under the Policy.

2. The Claimant hereby waives, relinquishes and discharges any claim that the Claimant ever had, now has, or hereafter can, shall, or may have against any of the Debtors, including, but not limited to, Family Golf, and the assets or properties of their respective estates (including, without limitation, with respect to the deductible under the policy, to the extent it is applicable, and any deficiency that may arise by virtue of a judgement obtained in excess of the limits of coverage in, or available under the Policy), without prejudice to the Claimant's recovery, if any, under the Policy. The Claimant's sole recovery, if any, shall be from the Policy. Claimant shall not recover from the assets or properties of any of the Debtors and their estates, and the State Court Action shall not result in any cost to the Debtors or their estates.

3. Except to the extent expressly set forth in paragraph 1 and subject to the proviso in paragraph 2, above, the provisions of section 362 of the Bankruptcy Code, including without limitation, those provisions prohibiting execution,

enforcement, or collection of any judgment that may be obtained against the Debtors from and against any assets or properties of the Debtors' estates (as defined in section 541 of the Bankruptcy Code), shall remain in full force and effect.

Neither the Claimant nor any of his agents, attorneys, or representatives shall take any action or attempt to cause any action to be taken to collect all or any portion of any such judgment (or settlement proceeds) from the assets or properties of the Debtors' estates, without prejudice to the Claimant's recovery, if any, from the Policy by way of compromise and settlement or otherwise.

4. The Claimant expressly recognizes the burdens placed on the Debtors as a result of the chapter 11 filing and agrees to cooperate with Family Golf with respect to the scheduling of any requests or demands for discovery, depositions, testimony or production of documents or the like, from any of the Debtors, their employees or their agents.

5. Nothing contained herein shall constitute or operate as a general waiver or modification of the Automatic Stay that would permit the prosecution against the Debtors of any claims or actions by any person or entity other than the Claimant with respect to the State Court Action.

6. The attorney for the Claimant represents and warrants that the Claimant has full knowledge of, and has consented to, this Stipulation and that the attorney has full authority to execute this Stipulation on behalf of the Claimant.



7. This Stipulation is subject to the approval of the Bankruptcy Court and shall be of no force and effect unless and until an order approving the Stipulation has been entered. If this Stipulation is not approved by the Bankruptcy Court, it shall be null and void and shall not be referred to or used, for any purpose, by any of the parties hereto or any parties to the State Court Action.

8. The Bankruptcy Court shall retain jurisdiction to resolve any disputes between the parties arising with respect to this Stipulation.

9. This Stipulation may not be amended or modified  
except by further Order of this Court.

Dated: New York, New York  
August 18, 2000

FRIED, FRANK, HARRIS, SHRIVER  
& JACOBSON  
(A Partnership including  
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Attorneys for Debtors and  
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By: /s/ Gerald C. Bender  
Gerald C. Bender (GB-5849)

Bornstein & Emanuel, P.C.  
Attorneys for Thomas C. Mulhall  
595 Stewart Avenue, Suite 410  
Garden City, New York 11530  
(516) 227-3777

By: /s/ Robert G. Sullivan  
Robert G. Sullivan (RS-5693)

SO ORDERED

this \_\_\_\_ day of August, 2000

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

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